



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

November 17, 2008

Beverly Patterson, Senior Director, Learning & Organizational Development
Ricoh Corporation
19 Chapin Road, Building C
Pine Brook, NJ 07058

Dear Ms. Patterson:

RE: FINAL MONITORING VISIT REPORT for Ricoh Corporation – ET07-0126

Date of the Visit:	09/19/08
Beginning/Ending Time:	9:30 a.m. – 12:30 p.m.
Date of Last Visit:	01/18/08
Visit Location:	Tustin
Persons in attendance:	Marilyn Bloom, National Manager, Ricoh University Training, Ricoh Corp. Hugh Landers, Training Center Manager - Ricoh University West Theresa Rivero, Manager, Education Services - Ricoh University East Chris Mangels, VP Administration, Training Funding Partners Elsa Wadzinski, Contract Analyst, Employment Training Panel
Action Required:	No

Term of Agreement:	08/01/06 – 07/31/08	Agreement Amount:	\$404,550
Training Start Date:	08/01/06	Estimation No. to Retain:	290
Date Training must be Completed:	04/30/08	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	93

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SACRAMENTO, CA 95814
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SAN DIEGO, CA 92108
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Although the Final Visit was conducted on September 19, 2008, the contractor did not submit their final invoice until October 9, 2008. Project staff stated they were waiting to receive accurate wage information to determine if trainees would meet ETP's wage requirements prior to submitting the closeout invoice.

FINAL REPORT SUMMARY:

The Agreement was executed on October 29, 2006 and training began on August 1, 2006. Your project staff reported that all ETP training was completed on May 2, 2008, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – July 31, 2008.

ETP received a Notification Request to change the Contractor's name from Lanier to Ricoh, after Ricoh purchased Lanier in April 2008.

Based on the Final Closeout, of the 290 trainees specified on Chart 1, Exhibit A of the Agreement, 195 trainees (67%) have completed the minimum number of training hours required (24 hours) for reimbursement and have completed the 90-day retention period. The total hours provided to trainees who met the required minimum in Job 1 are 11,618 (of which 57 were CBT). At a reimbursement rate of \$15 per hour for Class/Lab training and \$8 an hour for CBT, Ricoh earned \$173,826 (43%) of the total ETP Agreement.

Project staff stated that although the company did not complete 100 percent of the training (due to an over aggressive training plan inherited from Lanier, and the Lanier acquisition) Ricoh has been able to provide Business Skills, Continuous Improvement and Computer Skills training that improved an overall skills gap, and contributed to trainees becoming more efficient and effective. Project staff also added that this training helped service professionals and technicians to become more computer saavy, as they are better trained in how the equipment they service works and can provide better explanations to customers on how to use the product. Further, due to the success of training in this Agreement, you advised Ms. Wadzinski that you are in the process of applying for another ETP Agreement to complete the original training plan, and train more employees.

In discussing what barriers you experienced in implementing your ETP program, you commented that the main challenge was the transition in staff handling this project when Ricoh acquired Lanier. You stated that when Ricoh took over the project, nine months after it started, you were just learning about ETP and its requirements. You stated that you believe ETP is a great program, and that it is important to be involved in the development of the training plan. When asked about ETP record keeping, you indicated that ETP's websites are user-friendly, and that you had Training Funding Partners provide administrative services for this Agreement. Project staff further stated that the ETP staff provided good support throughout the Agreement.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	354	Completed Training:	195
Dropped Following Enrollment:	159	Completed Retention:	195
Completed Minimum Hours of Training:	195	Completed Maximum Hours of Training:	2

CLASS/LAB ATTENDANCE ROSTERS AND COMPUTER BASED TRAINING (CBT):

The Analyst reviewed attendance and CBT records of 31 Job 1 trainees for trainees that completed training, and compared it to the information provided on the ETP On-Line Tracking System. During this review, Ms. Wadzinski noted that the tracking system for one trainee's CBT records indicated duplicate hours allotted for specific Sales Skills training listed under the Business Skills CBT curriculum; causing them to exceed the 26 training hours allotted for CBT training. Project staff noted the error and removed the training hours entered in error. Upon removal of these hours, it was deemed that this trainee only received CBT training, and after removing the duplicate hours, he no longer met the minimum number of training hours required for reimbursement (24) and was dropped from the project.

All other Class/Lab Rosters and CBT Certification Statements revealed that training was documented correctly and meets ETP requirements; the Agreement curriculum was provided as specified; and you are in compliance with the ratio of one trainer to 20 retrainees specified in the Agreement Training Plan.

Your project staff was advised that these findings are based only on the training records reviewed during this Visit and represent only a sample of the training records completed to date. Further that it is your responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442)]

AUDIT:

Ricoh will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Elsa Wadzinski at (818) 755-3634 or by email at ewadzinski@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Signature on file

Dolores Kendrick, Manager
North Hollywood Regional Office

Signature on file

Elsa Wadzinski, Contract Analyst
North Hollywood Regional Office

cc: Hugh Landers, Training Center Manager, Ricoh University West (Via E-Mail)
Ricoh

Marilyn Bloom, National Training Manager (Via E-mail)
Ricoh

Chris Mangels, VP Contract Administration (Via E-Mail)
Training Funding Partners

Brian McMahon, Executive Director
David Guzman, Chief, Program Operations Division
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor 12/3/08